



No.: **2003-02**

Date: **January 29, 2003**

FEDERAL HOUSING FINANCE BOARD

Approval of Claritas, Inc. as Data Source for Determining Area Median Incomes Under the Federal Home Loan Banks' Community Investment Cash Advance Programs

WHEREAS, section 952.1 of the Federal Housing Finance Board (Finance Board) Community Investment Cash Advance (CICA) regulation provides that, in complying with the definition of "targeted income level" contained in section 952.1 of the regulation, each Federal Home Loan Bank (Bank) may determine the median income for an area using one of the sources specified in the definition of "median income for the area" in section 952.1, without prior Finance Board approval (12 C.F.R. § 952.1); and

WHEREAS, paragraphs (1)(v) and (2)(iii) of the definition of "median income for the area" in section 952.1 of the CICA regulation provide that a Bank may obtain the median income for an area from a public entity or a private source not specified in section 952.1, with the prior approval of the Board of Directors of the Finance Board, at the request of the Bank (12 C.F.R. § 952.1); and

WHEREAS, the Federal Home Loan Bank of Atlanta (Atlanta Bank) has requested Finance Board approval to use Claritas, Inc. as a source of data for determining area median incomes under section 952.1; and

WHEREAS, Claritas, Inc. is a nationally recognized, private source of market data, which employs an extensive methodology for estimating demographic changes in specific geographic areas, including small areas such as census tracts, and for updating that information annually, in order to more accurately reflect actual economic conditions in such areas; and

WHEREAS, the Atlanta Bank has successfully used demographic data provided by Claritas, Inc. since 1990 for internal and external business purposes;

NOW, THEREFORE, IT IS RESOLVED that, based on the information provided by the Atlanta Bank, the Board of Directors of the Finance Board hereby approves the Atlanta Bank's request to use Claritas, Inc. as a source of data for determining area median incomes under section 952.1 of the CICA regulation, for purposes of complying with the definition of "targeted income level," in section 952.1 of the CICA regulation (12 C.F.R. § 952.1).

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IT IS FURTHER RESOLVED that the Board of Directors of the Finance Board hereby extends this approval for all Banks, if they so choose, to use Claritas, Inc. as a source of data for determining area median incomes under the Banks' CICA programs.

By the Board of Directors of the
Federal Housing Finance Board

/s/ John T. Korsmo

John T. Korsmo
Chairman